



# Benefits Bulletin

May 2003

## Flexible Spending Account Program

Employees will be allowed to set aside salary on a pre-tax basis to pay certain dependent care and medical related costs through flexible spending accounts. A third party administrator SHPS, Inc. will be primarily responsible for educating employees regarding how FSAs work, providing customer service, integrating the program with agency payroll systems and other administrative matters. Open season will be May 19 through June 20, 2003. The effective date of the FSA program for NASA employees will be September 1, 2003.. The initial plan year will end on December 31, 2003. Open enrollment for the first full plan year will take place concurrent with the FEHB open season in November/December of 2003. All future FSA plan years will be January 1 through December 31 and employees must re-enroll each year to be eligible. You will not be able to change their elections during a plan year except in the case of a "life event" such as marriage.

Two types of accounts will be available. Under the FSA program, employees will be able to voluntarily participate in one or both types of accounts. The dependent care account, with a \$5,000 annual limit, will be available for reimbursement of day care expenses for dependent children under age 13 and for dependent adults, including parents and siblings. The medical/dental account, with a \$3,000 annual limit, will be available for reimbursement of dental, vision, and certain other procedures not covered by health insurance, as well as for health plan deductibles, coinsurance, and copayments. Retirees will not be allowed to participate since the tax code requires that money going into such tax-favored accounts come from payroll withholding.

Medical and dependent care accounts are separate. Each year requires an election to participate. Your election is irrevocable without a qualifying life event. Employees submit claims against the FSA account. Valid claims are reimbursed on a pre-tax basis. **Amounts not claimed at the end of the year are forfeited.** Participants usually have 90 to 180 days after the end of the year to submit claims. Under the Health Care FSA (HCFSA), amounts allotted for the HCFSA are fully available at the beginning of the plan year, even if you have not yet contributed. Participants in the dependent care FSA can only be reimbursed what has been contributed to date.

More information on the new FSA option will be forwarded as it becomes available.

## Building 15 Parking

Building 15 is a high-traffic building with employees utilizing the Cafeteria, Credit Union, Medical Services, Training, Travel, etc. Parking is usually at a premium. With the lack of parking spaces, especially when construction is going on around the building, people tend to park, "only for a minute," in the driveway entrance to the parking lot and right in front of the building. **This area is an ambulance entrance.** There have been instances when the Brook Park Ambulance was called to respond to Medical Services and was unable to get to the entrance due to cars, trucks, and vans parked, "only for a minute."



*Please use consideration when parking near the building, you may be the person suffering from chest pains, waiting for the ambulance that can not get to you because of cars parked in the "No Parking" area.*

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## Thrift Savings Plan Catch-Up Contributions

On November 27, 2002, the President signed Public Law 107-304, which permits eligible TSP participants who are age 50 or older to make tax-deferred “catch-up” contributions from their basic pay to the TSP accounts. These contributions are a supplement to the your regular employee contributions and do not count against either the statutory contribution percentage limitations or the IRS elective deferral limit. However, the catch-up contributions have their own annual limit and eligibility criteria. The Board intends to implement the catch-up contributions program in July 2003, which will give eligible participants the opportunity to contribute these additional funds before the end of the year.

A participant is eligible to make catch-up contributions as long as:

1. they are in a pay status. Because these contributions are made by payroll deductions, participants must be currently employed and receiving pay. They cannot be separated from service or in nonpay status; and
2. you are contributing either the maximum TSP contribution percentage or an amount which will result in your reaching the elective deferral limit by the end of the relevant year; and
3. you are at least 50 years old in the year the catch-up contributions are made (even if your birthday is December 31 of that year); and
4. you are not in the 6 month non-contribution period following the receipt of a financial hardship in-service withdrawal.

Catch-up contributions are not subject to the IRS code’s elective deferral limits. However, these contributions are limited as follows:

2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 and thereafter	\$6,000

Like regular employee contributions, catch-up contributions are made on a pre-tax basis, which means that they are taken from your basic pay before Federal and, in almost all cases, state income taxes are calculated. Because these contributions are taken from “before-tax” dollars, they cannot be made by check; they must be made by payroll deduction. Catch-up contributions are **not** eligible for matching contributions. There are no Agency Automatic 1-Percent Contributions associated with catch-up contributions

Catch-up contribution elections can be made at any time beginning in or after the year in which you turn age 50. Catch-up contribution elections are made in terms of a requested whole dollar amount which will be deducted from your basic pay each pay period until the annual catch-up limit is reached or the calendar year ends; or you elect to stop the contributions. **Because the annual limit changes each year, you must make a new election each year.**

Catch-up contribution elections are not subject to the open season rules, and more than one election may be made in any given year, as long as the annual catch-up limit is not exceeded. Beginning with the initial election period in July 2003, participants can make catch-up contribution elections at any time during the year. Elections are to be made effective no later than the first full pay period following the agency’s receipt of the election. The election terminates with the last pay date of the year to which it applies.

If a participant enters non-pay status during the year, the catch up contributions will stop. When you return to pay status, you cannot make up the missed payments, but you can submit a new election increasing the catch-up contribution amount and effectively make the maximum catch-up contribution allowed by law for that year. Participants will be able to stop catch-up contributions at any time without penalty and restart them at any time. The termination of catch-up contributions does not affect regular contributions. If you stop your regular employee contributions, the catch-up contributions must also stop. If you receive a financial hardship in-service withdrawal, your catch-up contributions must stop along with any regular employee contributions. The catch-up contribution election terminates automatically with the last pay date of the year to which it applies, unless you have previously terminated the election or reached the annual catch-up limit.

Catch-up contributions will be invested in your account based on the most current contribution allocation on file with the TSP.

The TSP Board will announce to participants the availability of the catch-up contribution benefit beginning July 2003. The election can be made effective no earlier than the first full pay period in August 2003. After that, you will be able to elect catch-up contributions at any time.

### Informative Web Sites

For information on health issues . . .

[www.MayoClinic.com](http://www.MayoClinic.com)

For members of the Aetna Health Plan . . .

<http://www.aetna.com/custom/fehbp/index.htm>

This site will assist you in choosing or changing a physician, prescription drug information drugs, claim status, etc.

For those enrolled in the Service Benefit Plan, Standard or Basic Options . . .

[www.fepblue.org](http://www.fepblue.org)

This site will assist in locating current, up-to-date provider information, claim status, newsletters

## Want to Quit Smoking?

Singleton Health Services will be offering The American Cancer Society's Freshstart Program, which has helped tens of thousands of people quit smoking for good.

The program consists of four 1-hour, small group sessions held over a 2-week period. If you are ready to become a successful, former smoker call Medical Services at 3-5841 for more information.



## Blood Pressure Monitoring

During the month of May, Singleton Health Services staff will once again be checking blood pressures at different locations throughout the Center. Please watch for flyers with dates, times, and locations.



## Fitness Center Information

### Upcoming Events . . .

The annual employee step out is Wednesday, May 14 from 11 a.m. to 1 p.m. Join fellow GRC employees for a 1-mile walk in celebration of National Employee Health and Fitness Day. The fitness center will also host an open house, featuring our Dietitian who will have samples of a healthy recipe, blood pressure screenings, and much more.

Next fitness class session sign-up is Monday, June 23, starting at 6 a.m. Spots are limited to those who are registered first. There are 19 classes offered per week at a variety of times per day. Call 3-6313 for a class listing or visit:

[www.grc.nasa.gov/WWW/OHR/Fitness](http://www.grc.nasa.gov/WWW/OHR/Fitness)

Interested in walking at lunchtime? Contact the fitness center at 3-6313 for more information.

The lunchtime outdoor volleyball league will continue this summer. Watch Today at Glenn for more information.

### New Fitness Center Update . . .

The new fitness center is scheduled for completion this July! The move is scheduled to take place over a weekend to allow a minimal disruption of services.